Message Text

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INFO OCT-01 EUR-12 ISO-00 NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00 L-03 MC-02 AID-05 IGA-02 ACDA-07 EB-08 TRSE-00 OMB-01 SSO-00 NSCE-00 INRE-00 /074 W ------111621Z 008992 /50

O P 111511Z FEB 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC IMMEDIATE 5560
INFO AMEMBASSY LISBON PRIORITY
USMISSION NATO BRUSSELS IMMEDIATE
CINC EUR VAIHINGEN PRIORITY
DOD WASHDC PRIORITY
USNMR SHAPE PRIORITY

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DOD PLEASE PASS PRIORITY TO ISA AND DSAA

E.O. 11652: GDS TAGS: MASS. GW

SUBJECT: M48A5 TANKS FOR PORTUGAL

REFS: (A) STATE 030228 DTG 100155Z FEB 77

(B) USCINCEUR DTG 041003Z FEB 77 (REPEATING DALO-ILE WASHDC DTG 031600Z FEB 77)

BEGIN SUMMARY: CONVERTING THE FRG-FURNISHED M48A2 TANKS TO A M48A5 VERSION IN THE US MAY WELL BE PRECLUDED BY THE COST (APPROXIMATELY \$350,000 PER TANK) AND TIME DELAYS (MORE THAN TWO YEARS). THE RG ITSELF IS NOT PLANNING TO CONVERT ANY OF ITS M48A2 TANKS TO M48A5. UNLESS THE USG IS PREPARED TO USE ITS MAINZ/FRG FACILITIES TO EFFECT THE CONVERSTION, THERE MAY BE NO ALTERNATIVE BUT TO ABANDON THE IDEA OF GIVING PORTUGAL FRG-SUPPLIED M48A5 TANKS. THERE MAY, HOWEVER, BE A POSSIBILITY OF UPGUNNING THE FRG-SUPPLIED M48A2 CONFIDENTIAL

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TANKS EVEN IF DIESELIZATION WERE TO BE RULED OUT. END SUMMARY.

1. SENIOR GERMAN OFFICERS HAVE TOLD US THAT THE FRG CONTINUES TO FEEL THAT, WITH 40 PERCENT OF THE FEDERAL ARMY PRESENTLY EQUIPPED WITH THE M48A2 TANK, IT IS UNNECESSARY TO UPGRADE THIS TANK SIMPLY TO MEET

PORTUGUESE DESIRES. HOWEVER, IT HAS BEEN WILLING TO CONSIDER DOING SO ONCE THE US FURNISHED REASONABLE COST DATA WHICH COULD BE USED WITH THE GERMAN PARLIAMENT

- 2. IN THEORY, THE M48A2 UPGRADING MIGHT TAKE PLACE EITHER IN A GERMAN FACILITY, A US FACILITY LOCATED IN THE FRG, OR IN THE US. HOWEVER, THE FEDERAL MINISTRY OF DEFENSE (FMOD) CATEGORICALLY STATES THAT THERE IS NO REPEAT NO PLAN TO UPGRADE HERE THE GERMAN VERSION OF THE M48A2 TO AN M48A5. THERE ARE PLANS NOT YET FULLY APPROVED TO UPGUN SOME OF THE FRG'S M48A2'S BY EQUIPPING THEM WITH 105MM GUNS. IF FINALLY AUTHORIZED, THE PROGRAM WILL BEGIN IN MARCH 1978 AND PROCEED AT A RATE OF 5 TANKS PER MONTH. SUCH A PROGRAM WOULD INVOLVE INSTALLING THE BRITISH 105MM GUN, NOT THE US 105MM GUN WHICH WAS INSTALLED ON THE FIVE M48A5 TANKS THE US ITSELF HAS SUPPLIED THE GOP. THE FRG HAS NO REPEAT NO INTENTION TO DIESELIZE ANY GERMAN-OWNED M48A2 TANKS, DIESELIZATION BEING THE OTHER MAJOR DIFFERENCE BETWEEN THAT VERSION OF THE TANK AND THE M48A5. SUCH A DIESELIZATION PROGRAM WAS UNDER CONSIDERATION AT ONE TIME BUT WAS DROPPED FOR FINANCIAL REASONS.
- 3. IN A DISCUSSION WITH FMOD OFFICERS ON FEBRUARY 10, EMBOFF WAS ASKED IF THE US HAD ANSWERS TO THE QUESTIONS CONCERNING THE TANK PROGRAM PREVIOUSLY POSED BY THAT MINISTRY. EMBOFF SAID THAT THE US DID HOPE THE FRG CONFIDENTIAL

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WOULD PAY FOR ALL COSTS INVOLVED IN GIVING THE GOP M48A5 TANKS INCLUDING ANY NECESSARY CONVERSION KITS, THE LABOR INVOLVED IN UPGRADING, AND TRANSPORTATION

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CHARGES. HOWEVER, HE REFRAINED FROM GIVING THE COST ESTIMATE PROVIDED IN REFTEL (B) BECAUSE THE EMBASSY IS NOT CERTAIN THIS COST ESTIMATE WOULD BE FULLY APPLICABLE AND DID NOT WISH TO CLOSE ANY POSSIBILITY OF THE FRG PAYING FOR UPGRADING THE M48A2'S IT WILL FURNISH TO PORTUGAL UNTIL WE WERE ABSOLUTELY CERTAIN OF THE COSTS AND TIME DELAYS.

- 4. EMBOFF DID RAISE THE POSSIBILITY OF CONVERTING THE TANKS IN THE US SHOULD US FACILITIES IN THE FRG BE UNABLE TO PERFORM THE WORK. FMOD OFFICIALS REACTED VERY NEGATIVELY TO THIS SUGGESTION, WHICH THEY FELT WOULD MAKE LITTLE SENSE CONSIDERING EITHER COST EFFECTIVENESS OR TIME CONSTRAINTS. EMBOFF DID NOT PURSUE THIS ASPECT OF THE PROBLEM FURTHER.
- 5. COMMENT: IF THE FRG DOES NOT PLAN TO DEVELOP ITS OWN CONVERSION FACILITIES, AND IF CONVERSION IN THE CONFIDENTIAL

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US IS IMPRACTICABLE, MAINZ MAY BE OUR ONLY OPTION

6. RECOMMENDATIONS:

(A) BEFORE GIVING THE FMOD THE COST ESTIMATE PROVIDED IN REFTEL (B), WE RECOMMEND THAT THE DEPARTMENT AND EMBASSY LISBON CONFIRM THAT A DELAY OF TWO YEARS AND MORE IN FURNISHING THE TANKS TO PORTUGAL WOULD BE ACCEPTABLE. SHOULD SUCH A DELAY BE ACCEPTABLE, THE DEPARTMENT OF THE ARMY IS REQUESTED TO PROVIDE FIRM COST ESTIMATES TO THE EMBASSY (THE PRESENT ESTIMATE INVOLVES CONVERSION FROM M48A1 TO AN M48A5, AND HENCE MAY BE

MORE EXPENSIVE).

- (2) IF A DELAY OF TWO YEARS AND MORE IS UNACCEPT-ABLE, THE DEPARTMENT IS REQUESTED TO DETERMINE WHETHER OR NOT US NATIONAL INTERESTS REQUIRE USE OF OUR MAINZ/FRG FACILITIES TO MAKE THE CONVERSION. IF THEY DO, NEW COST AND TIME-DELAY ESTIMATES SHOULD BE FURNISHED THIS EMBASSY.
- (3) THE DEPARTMENT IN CONJUNCTION WITH EMBASSY LISBON AND US MISSION NATO MAY WISH TO INVESTIGATE THE POSSIBILITY OF SIMPLY UPGUNNING THE M48A2 RATHER THAN FULLY UPGRADING IT TO AN M48A5. STOESSEL

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